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VA Home Loan Program Or FHA Home Loan Program - Which is the Best For You?

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The United States government provides many benefits to the members that are now serving or have served in the past in the US military. Active and former members of the United States military can take advantage of benefits ranging from education incentives to compensation for disability occurred while in the military to even life insurance programs. One of the most used and most important is the Veteran Home Loan Program that provides assistance in financing a home loan.

There are currently over 23 millions living veterans and just little less than 10% of these veterans have taking advantage of this great benefit. But there is also another government backed home mortgage loan that veterans may want to consider also. This government backed loan is the FHA Home Loan Program.

So if you are an active member of the military, a veteran, or even a surviving or current spouse of a veteran you may want to compare the advantages and disadvantages of both the VA Home Loan Program and the FHA Home Loan Program.

You need to be fully informed before you buy a home because it is a huge decision and making the wrong decision can cost you thousands of dollars in the future.

VA Home Loan Program VS FHA Home Loan Program

VA home mortgage loans are similar to many conventional home mortgage loans but they do have many great benefits that are not found in conventional loans such as: you do not need a down payment, your credit scores can be lower than what is required for conventional loans, and you can "roll" the closing and loan fees back into the mortgage thus making it a 100% financing loan.

The FHA Home Mortgage Loan Program is the most popular of mortgage loan programs for non-veterans and is growing in popularity because of the tight mortgage market today.

They have some of the same advantages of the VA home mortgage loans such as: they are easier to refinance, more lenient on the credit scores to qualify, and certainly lower down payment than conventional loans. The FHA home mortgage loan down payment is currently 3.5% of the purchase price of the home.

VA Home Mortgage Loan Eligibility Requirements

A veteran will have to get a Certificate of Eligibility that is issued to by the military to qualified veterans. The Certificate of Eligibility will also include the entitlement amount, which is the portion of the mortgage loan that the VA will guarantee. You can get the Certificate of Eligibility from the VA or you can have your mortgage lender get it for you on the Internet.

One big difference from a VA mortgage loan and a FHA mortgage loan is almost anyone can get a FHA mortgage loan, only people that are or have been in the military can be a VA mortgage loan.

There are no income limits for FHA loans, but there are limits on how much a person can borrow and it varies from each county in the country. You can find out from your mortgage lender what the limit is in your area.

VA home mortgage loans do have limits on how much you can borrow but the limits can currently go up to \$729,000 in some parts of the country.

Another difference from FHA loans and VA loans is VA does not require a mortgage insurance premium called a PMI. FHA loans do require mortgage insurance (MIP). By getting a VA home mortgage loan you will save this expense which can be quite costly over the years.

VA home loan makes sense if you are a qualifying member or veteran of the military and they will allow you to take advantage of today's very low interest rate plus you can buy a home with 100% financing.

If you don't want to tackle the slight hassle of dealing with the VA or you do not have available VA entitlement then a FHA home loan will make the most sense.

Whether you choose the Veteran Home Loan Program or the FHA Home Loan Program you will need to work with an approved mortgage lender who will help you through the mortgage and closing process.

Owning a home is still the American dream and the government has two great programs to help you to achieve that dream, so get more information on the Veteran Home Loan Program and the FHA Home Loan Program and make that American dream happen for you!

You can get more information by clicking [FHA Home Loan Program](#) where you get much more information on FHA loans. You can also get more information here about [VA Home Loan Program](#)!

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